



UNEP FINANCE INITIATIVE TOOLS FOR IMPACT MANAGEMENT

Banking & Investment Portfolios, Corporates, Real Estate

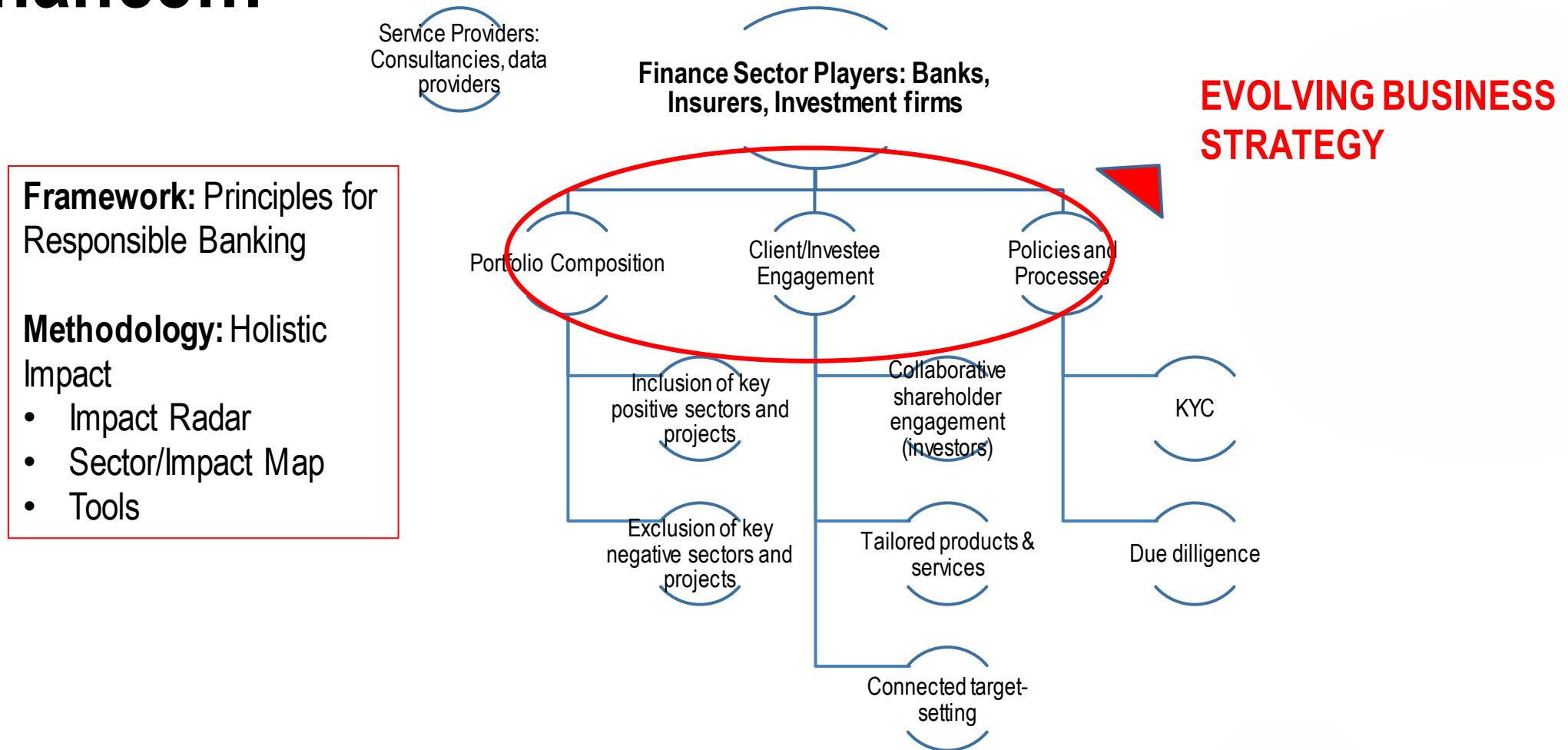
7th July 2022

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Background & Context

The many dimensions of promoting private SDG finance...



Principles for Responsible Banking

Key Requirements and Steps for Compliance



Analyzing your bank's Impact on Planet & People

4 requirements: *scope, context, exposure, intensity*



Setting & Implementing Targets

At least 2 SMART targets



Accountability & Measuring Progress

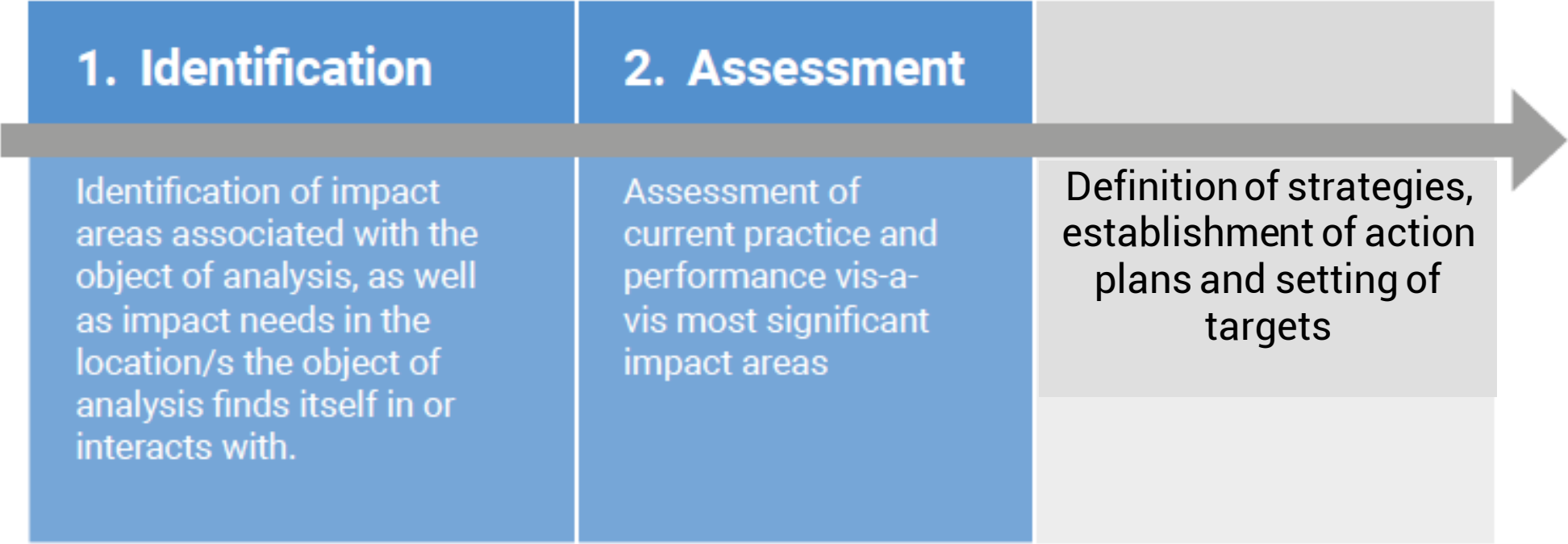
Using PRB template and aligned with the Annual Report



PRINCIPLE 2: **IMPACT & TARGET SETTING**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

UNEP FI Holistic Impact Approach



Putting concepts and requirements into practice

Impact Areas/Topics (Radar)

- ✓ Consider impacts across the three pillars of sustainable development

Mappings

- ✓ Consider positive and negative associations by sector
- ✓ Consider relevant indicators

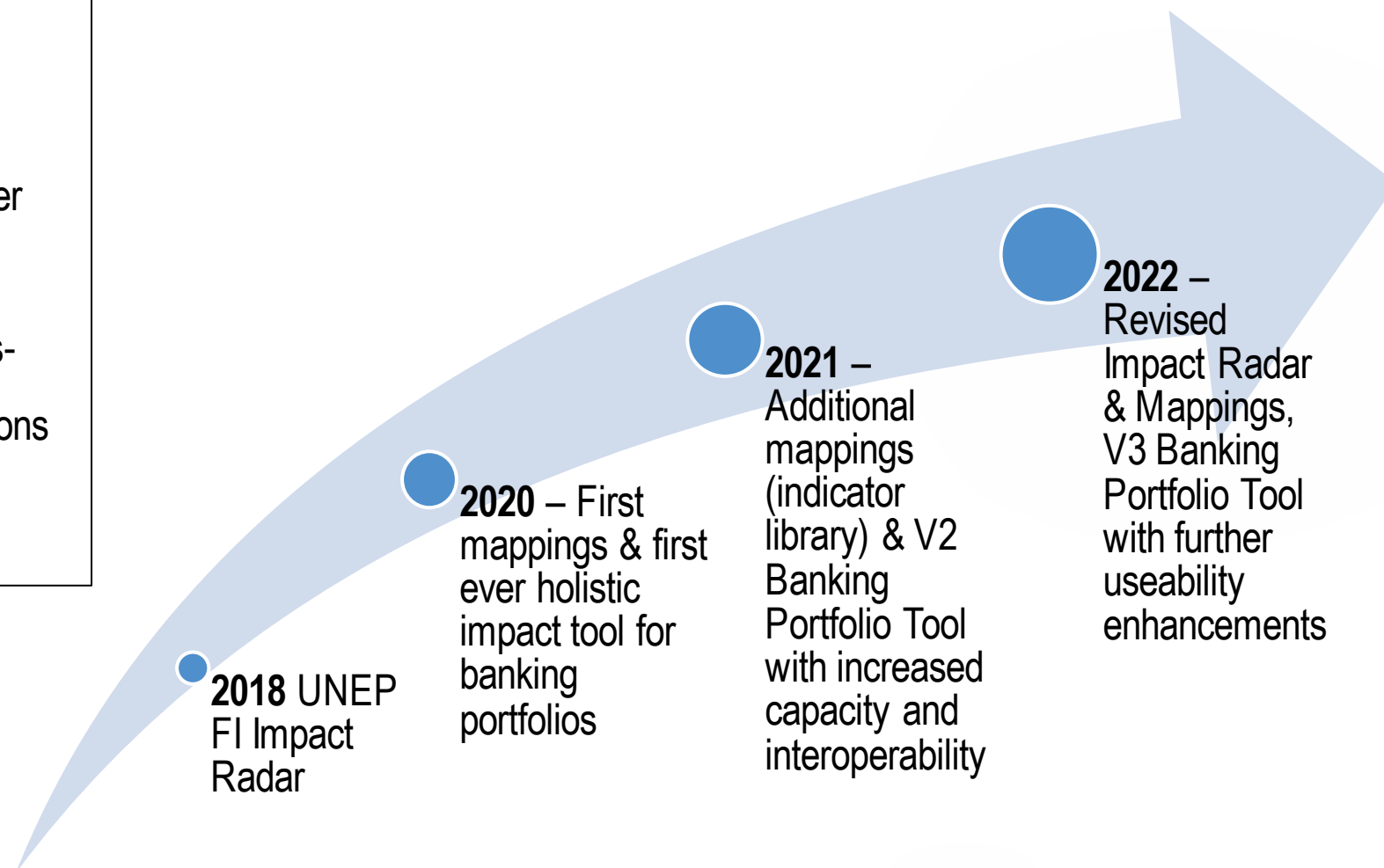
Tools

- ✓ Overlay the impact areas/topics and the mappings with portfolio data
- ✓ Visualize impact associations, determine most significant impact areas,
- ✓ Compile and assess data on current practice and performance



A journey of on-going co-construction

- UNEP FI Portfolio Impact Analysis Working Group
- On-going feedback from the broader user community
- Insights from UNEP FI's consensus-building efforts with peer organizations
- Exchanges with thematic experts



Impact Tools

The Impact Analysis Tools

TOP

DOWN



Portfolio Impact Analysis Tool

- Scope: business lines (Consumer, Business, Corporate and Investment Banking)
- Impact drivers: Sectors, types of clients, location



Investment Portfolio Impact Analysis Tool

- Scope: asset management activities (main asset classes: fixed income, equity, real estate, infrastructure and currencies)
- Impact drivers: Asset classes, asset types, investment strategy, location

BOTTOM
UP



Real Estate Impact Analysis Tool

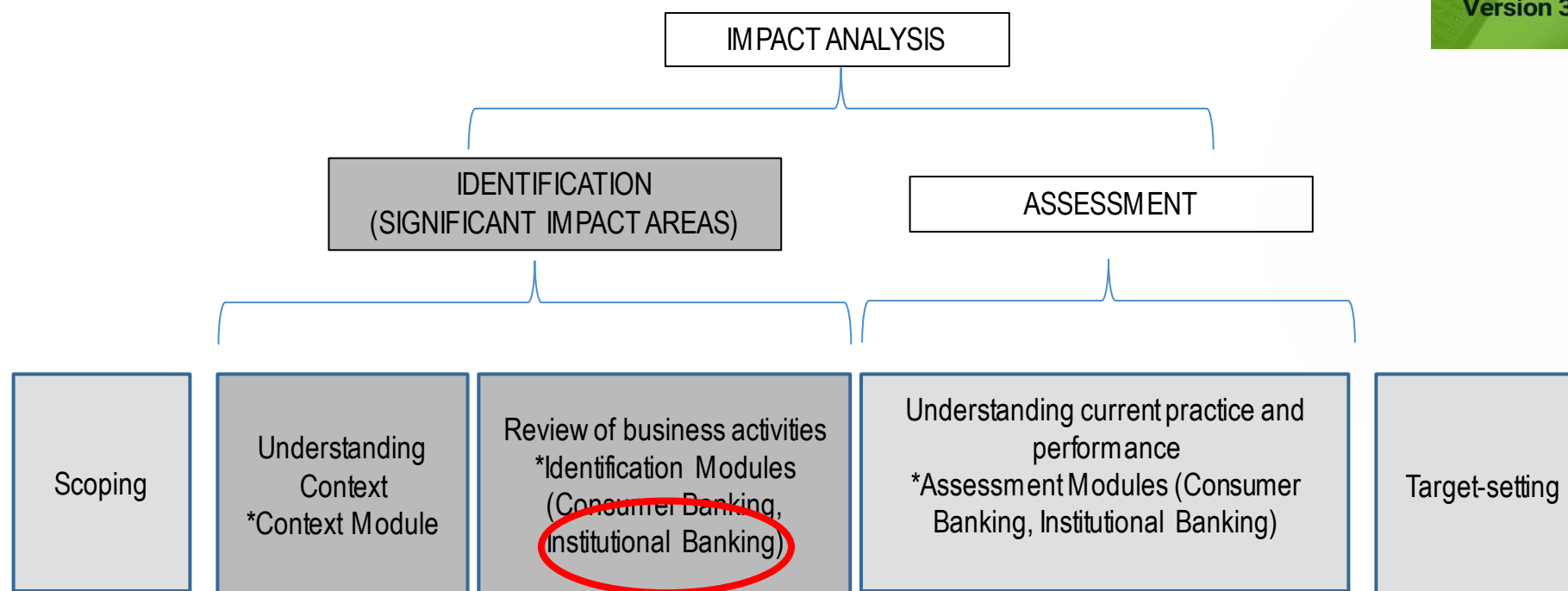
- Scope: RE investments (single assets & portfolios/funds)
- Impact drivers: Asset type, area type, status and location



Corporate Impact Analysis tool

- Bottom-up approach> clients' impact status and possibilities
- Impact drivers: company typology, geography and sectors

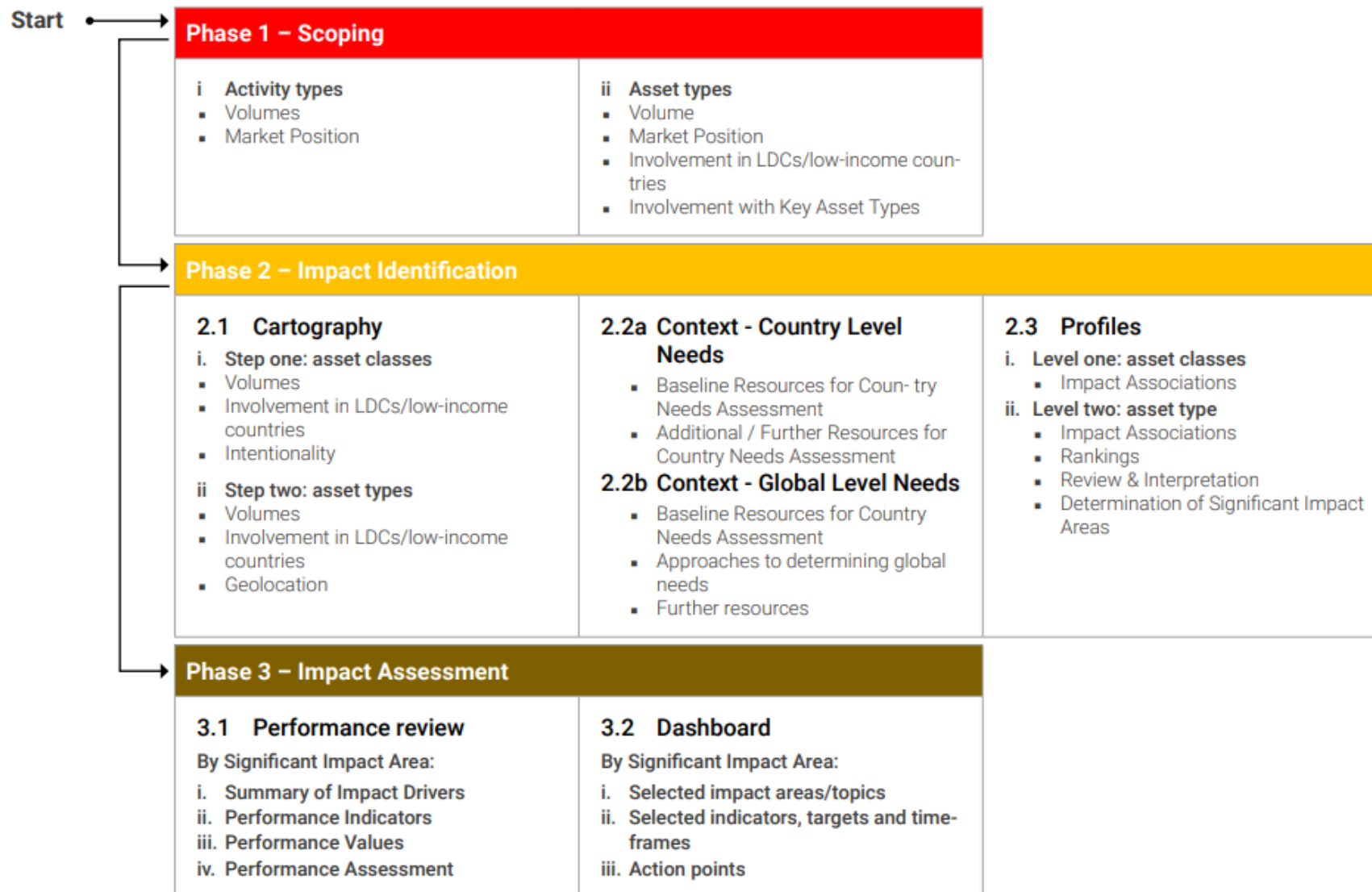
Portfolio Impact Analysis Tool for Banks



The Impact Analysis Tools



Investment Portfolio Impact Analysis Tool



- Organised by degree of leverage (discretionary, advisory, etc.)
- Organised by asset classes and types (additional mappings accordingly)

Real Estate Impact Analysis Tool

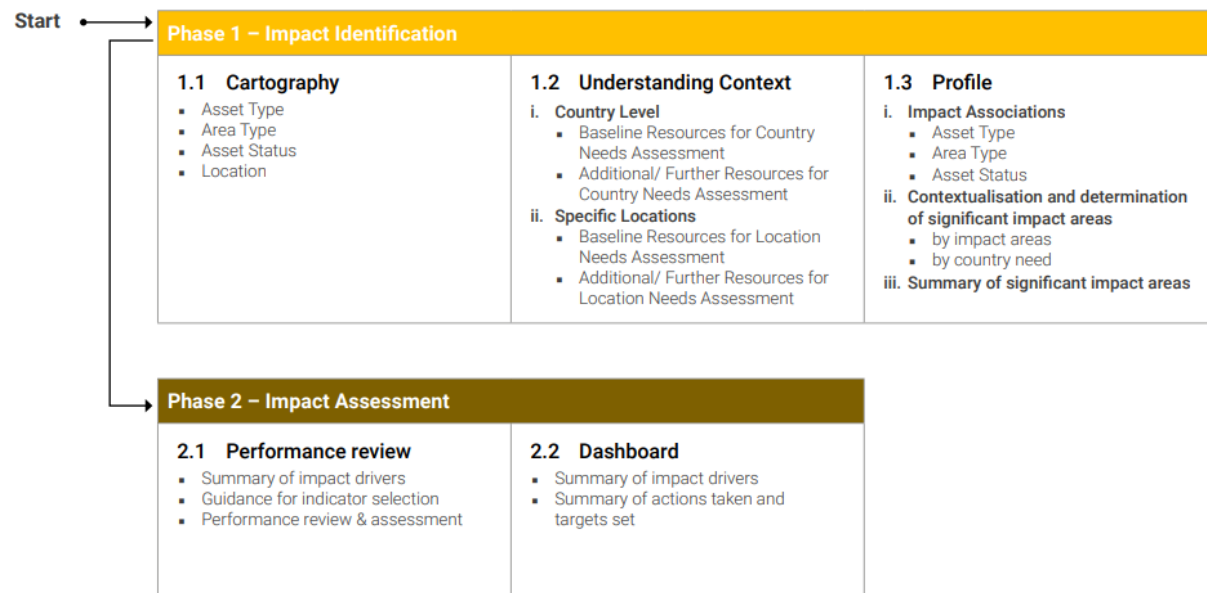


Figure 2: Single Asset Analysis Workflow

- Organised by types of real estate (additional mapping)
- More granular focus on location

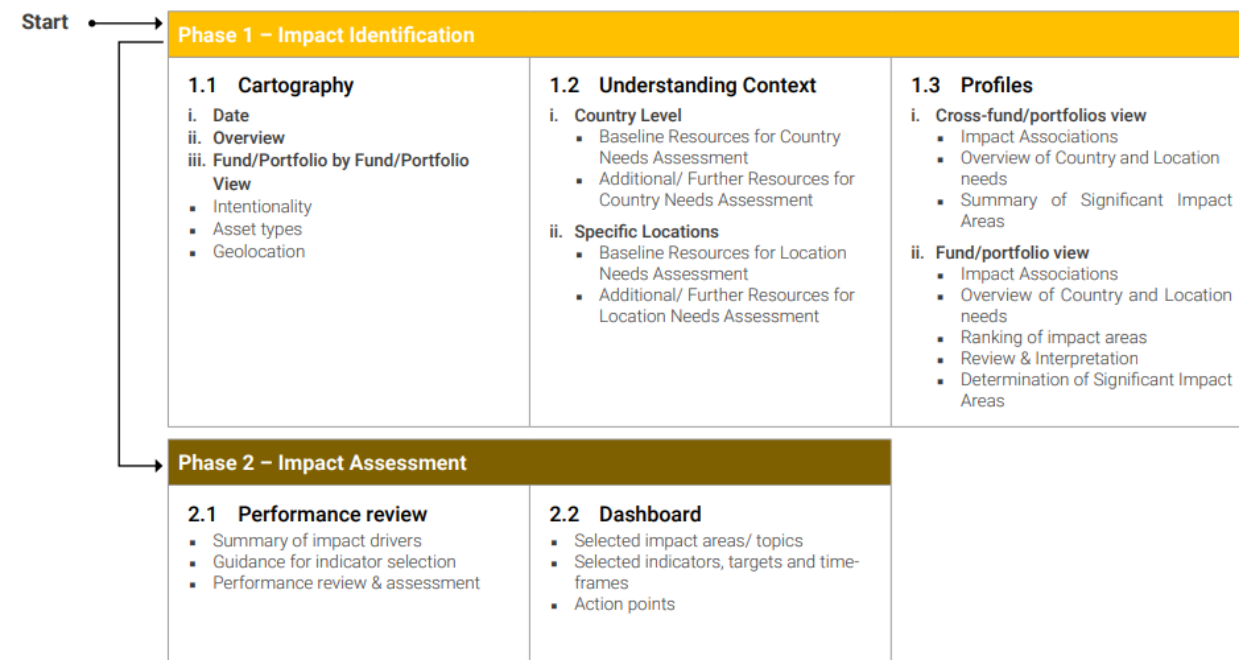


Figure 3: Portfolio/ Fund Analysis Workflow

Corporate Impact Analysis Tool



I. IDENTIFICATION	
A. Company Cartography	
What is the type and size of the company?	
What does the company do (business sector)?	
Where does it operate (sourcing, production, sales)?	
B. Country Impact Needs	
What are the impact needs of the countries the company is active in?	
Outputs	
Summary Corporate Impact Profile	
Sector by Sector Corporate Impact Profiles	
C. Most significant Impact Areas	
Based on the profiles, user's determination of the company's most significant impact areas.	



II. ASSESSMENT	
D. Impact Performance	
What is the company's impact performance vis a vis its most significant impact areas?	
E. Impact Management Capabilities	
How is the company organised to tackle positive and negative impacts?	
F. Conclusions	
PI Status	
Next steps	
Monitoring	



III. MONITORING	
How is the company progressing relative to its set targets?	
Has anything changed in terms of the company's cartography and/or impact management capabilities?	

- Consideration of countries of sales, operation and supply
- Experimenting with two-way implementation: by FIs and directly by corporates

Where to get the Tools?

Please visit www.unepfi.org/impact-tools to access:

- The Tool / Modules
- User Guides (incl. videos) per Module
 - Demo versions of the Modules
 - Launch recordings / videos

How to engage with us?

We welcome your feedback!

- ✓ Tool useability
- ✓ Sector-impact map: impact associations, key sectors
- ✓ Interlinkages
- ✓ Needs and priorities database

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Look out for the next releases:

- ✓ Banking Assessment Modules
- ✓ Revised Indicator Library
- ✓ Impact Protocol

UNEP FI Global Roundtable
10-14 October 2022
Register now: www.unepfi.org

Open Q&A
